

MEMO

DATE: November 6, 2003

TO: Community, Economic and Human Development Committee

FROM: Ping Chang, Senior Regional Planner
Phone: (213) 236-1839; E-Mail: chang@scag.ca.gov

RE: 2003 State of the Region Report

RECOMMENDED ACTION: Information only.

SUMMARY: Staff will present highlights of the upcoming 2003 State of the Region Report which is scheduled to be published in January 2004.

BACKGROUND:

Since 1998, SCAG has published a *State of the Region* report every year. Staff has prepared the report under the guidance of the Benchmarks Task Force. The list of current membership of the Benchmarks Task Force is included in Attachment 1. In addition, the process and results of last year's 2002 State of the Region is also included in Attachment 2 for your information since this year is following the similar process.

The *State of the Region* reports annually on a series of indicators on our region's performance. A primary objective is to assist members of the Regional Council as they determine how the region is doing in meeting the goals in the *Regional Comprehensive Plan and Guide*. Information on the region's performance has also been widely disseminated to assist public officials, business and community leaders in developing appropriate strategies to improve our communities.

The 2003 *State of the Region Report* will provide assessment on how our six-county region performs in issue areas including Population, The Economy, Housing, Transportation, Development Patterns, The Environment, Education and Safety. The Report also compares the performance of our region with other large metropolitan regions in the nation. Based on information prepared by staff, the Benchmarks Task Force also develops a Report Card for our region.

At the meeting, staff will present to the Committee highlights of the upcoming 2003 State of the Region Report. Following is a summary of the findings. A copy of the PowerPoint presentation slides is also attached.

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Highlights of the upcoming 2003 State of the Region Report include the following regarding our six-county region:

1. Population

- Largest average annual increase in 2002 since 1950 due to the turn-around of domestic migration. Also grew faster than the rest of the state.
- Riverside County continued to have the fastest growth rate while Los Angeles County with the most absolute increase.
- Natural increase and net migration each accounted for half of the total growth.
- Different sources of growth among counties.
- Demographic transformation continued with increasing share of the Hispanic and Asian Populations.

2. The Economy

- Lost jobs (- 22,000) in 2002, the first time since 1993. Nevertheless, still fared less badly than the rest of the state and the nation.
- Manufacturing and information sectors suffered the most losses while government (public education) and health care generated most new jobs.
- Unemployment rates increased throughout the region.
- Declined in average payroll per job after adjusting for inflation.
- Declined in per capita income after adjusting for inflation. Remain the 16th place among the 17 major metros in per capita income (after dropping from the 4th highest in 1970 and 7th in 1990).

3. Housing

- Continued increase in building permits issued in 2002.
- Types of new housing units differed significantly among counties.
- Homeownership increased slightly in Los Angeles and Riverside/San Bernardino. Homeownership rate (55%) was well below the national average (68%) and that of other major metros.
- Sharp increases in home prices made housing less affordable.
- Rental cost burden increased with more than half of all renters paying 30 percent or more of their incomes.

4. Transportation

- Remained the most congested region in the nation in 2002.
- Average travel time to work remained unchanged from 2001 to 2002.
- Transit trips increased by 6% in 2002 after a slight decline (-0.4%) in 2001.
- Air passengers reduced by 11 million during the past two turbulent years.

5. Development Patterns

- Riverside/San Bernardino had the most sprawling development pattern among the 83 metropolitan regions.
- Sprawling pattern resulted more from weak centers and less from lower density.

6. The Environment

- Ozone conditions worsened in 2002.
- CO finally met federal attainment standards.
- PM₁₀ exceedance continued.
- PM_{2.5} conditions improved in 2002.
- Continuing improvements in reducing per capita waste disposal into landfills.

7. Education

- Little improvements in 2002 regarding:
 - 8th grader test scores;
 - high school dropout rates; and
 - percent of high school graduates meeting UC/CSU entrance requirements.
- Persistent racial/ethnic disparity in educational performance.

8. Safety

- Violent crime rates stayed almost the same.
- Juvenile felony arrest rates reduced slightly.
- Hate crime activities reduced.

ATTACHMENT 1

Benchmarks Task Force Membership

Hon. Ronald O. Loveridge, Mayor, City of Riverside, Task Force Chair
*Hon. Paul Bowlen, Councilmember, City of Cerritos
*Hon. Edward "Ted" Burgnon, Councilmember, Town of Apple Valley
*Hon. Debbie Cook, Councilmember, City of Huntington Beach
*Hon. Mona Field, President, Board of Trustees, Los Angeles Community College District
*Hon. Susan Longville, Councilmember, City of San Bernardino
*Hon. Llewellyn Miller, Councilmember, City of Claremont
Hon. Pam O'Connor, Councilmember, City of Santa Monica
Hon. Toni Young, Mayor Pro Tem, City of Port Hueneme
Rick Bishop, Western Riverside Council of Governments
*Kimberly Collins, San Diego State University (Imperial Valley Campus)
*Lee Hanson, California State University, San Bernardino
*Christine Iger, Orange County Business Council
Dean Kubani, City of Santa Monica Environmental and Public Works
*Jerilyn Lopez Mendoza, Environmental Defense
*Dowell Myers, University of Southern California
*Max Neiman, University of California, Riverside
*Paul Ong, University of California, Los Angeles
Todd D. Priest, Building Industry Association of Southern California
*Anil Puri, California State University, Fullerton
Ty Schuiling, San Bernardino Associated Governments
Arthur J. Shaw, Consulting Economist
*Arnold Sherwood, University of California, Berkeley
Jim Stewart, Southern California Council on Environment and Development
Goetz Wolff, Center for Regional Employment Strategies and UCLA

* New members appointed by the SCAG President Mayor Bev Perry on September 4, 2003



ATTACHMENT 2

The State of the Region 2002 Program A Brief Description of Process and Results

Objectives

1. Tracking and assessing the performance of Southern California in comparison to other metropolitan regions in the nation.
2. Disseminating information on the region's performance to assist public officials, business and community leaders in developing appropriate strategies to improve our communities.
3. Informing and educating community residents on how our region is performing.

Targeted Audiences

1. Elected officials at local, state and federal levels.
2. Business and community leaders.
3. Key agency staff including local government planning directors.
4. Community groups and residents.

Implementation

1. With the guidance of a Benchmarks Task Force, which consists of elected officials and representatives from business and academia, SCAG staff collected and analyzed information regarding the performance of the region. Regional performance was assessed with respect to issues including demography, economy, housing, transportation, environment, education and public safety. A Report titled "*The State of the Region 2002*" (included in the binder of support materials) was then prepared and released on January 9, 2003.
2. A total of 1,000 copies of *The State of the Region 2002* and 2,000 copies of the *Report Cards* have been mailed to many interested parties, including, for example:
 - SCAG Regional Council and Policy Committee members including more than 100 elected officials;
 - Chief County and City Administrators of 193 local governments in the region;
 - local government planning directors;
 - members of the state and congressional delegations; and
 - regional public libraries.
3. The full Report has been posted on the SCAG's home page (www.scag.ca.gov) since January 9, 2003 and has been downloaded for more than 25,000 times.

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Results

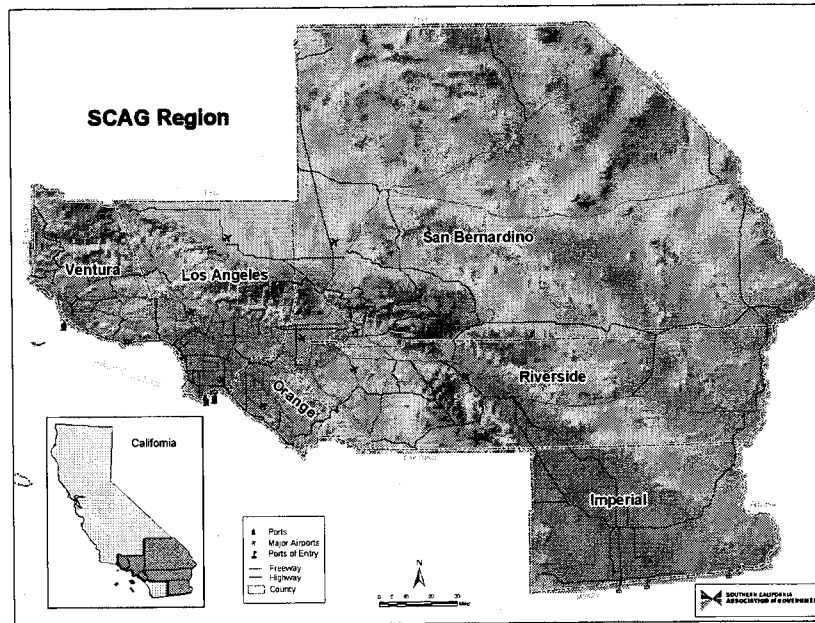
1. The press conference to release *The State of the Region 2002* on January 9, 2003 received very prominent media coverage throughout Southern California. Report coverage included 18 newspapers, three TV stations and 4 radio stations. Specifically, newspaper coverage included the following:
 - Los Angeles Times
 - Los Angeles Daily News
 - Orange County Register
 - Riverside Press Enterprise
 - San Bernardino County Sun
 - Ventura County Star
 - Inland Valley Daily Bulletin
 - Antelope Valley Press
 - Long Beach Press Telegram
 - Pasadena Star News
 - San Gabriel Valley Tribune
 - South Bay Daily Breeze
 - Palm Springs Desert Sun
 - Victor Valley Daily Press
 - La Opinion
 - China Press
 - Chinese Daily News
 - Sing Tao
2. In addition to the media coverage, SCAG staff has received many invitations and made thirteen presentations to various public and private organizations throughout the region.
3. Soon after the release, *The State of the Region 2002* was cited as one of the Comprehensive Effort examples by the National Indicators Forum (sponsored by the National Academies and U.S. General Accounting Office) on February 27, 2003. The report is also linked through the GAO web site at www.gao.gov/npi/bibnew.
4. *The State of the Region 2002* has been used as course materials in universities such as UCLA, UC Riverside and University of Southern California.
5. With the direction of SCAG's Regional Council consisted of 74 elected officials in the region, staff has been developing regional economic revitalization strategies in response to the findings of *The State of the Region 2002*.

Highlights of the Upcoming 2003 State of the Region Report

*Presented to the Community, Economic
and Human Development Committee*

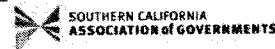
November 6, 2003

Ping Chang
Senior Regional Planner
(213-236-1839 or chang@scag.ca.gov)



2003 Initial Findings

1. Population
2. The Economy
3. Housing
4. Transportation
5. Development Patterns
6. The Environment
7. Education
8. Safety

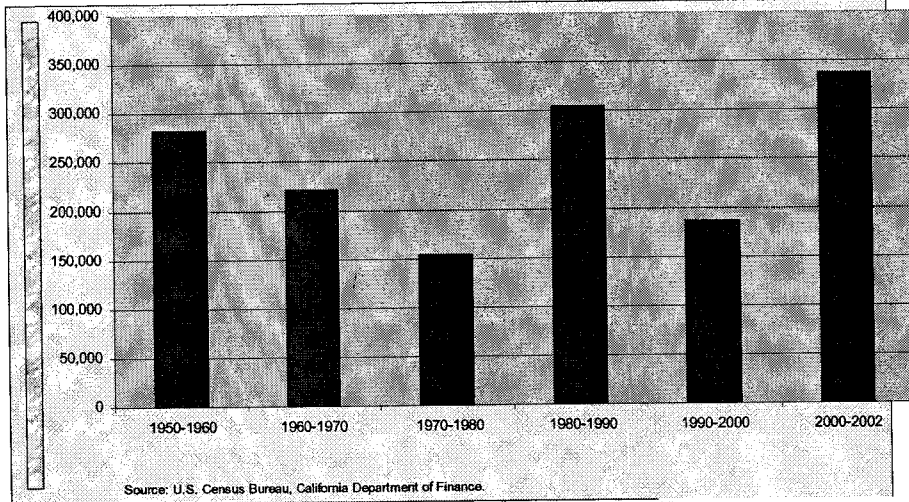


Population

- Largest average annual increase since 1950 due to turn-around of domestic migration.
- Riverside continued to have the fastest growth rate while Los Angeles with the most increase.
- Natural increase and net migration each accounted for half of the total growth.
- Different sources of growth among counties.
- Demographic transformation continued.



Population Increase (Annual Average)



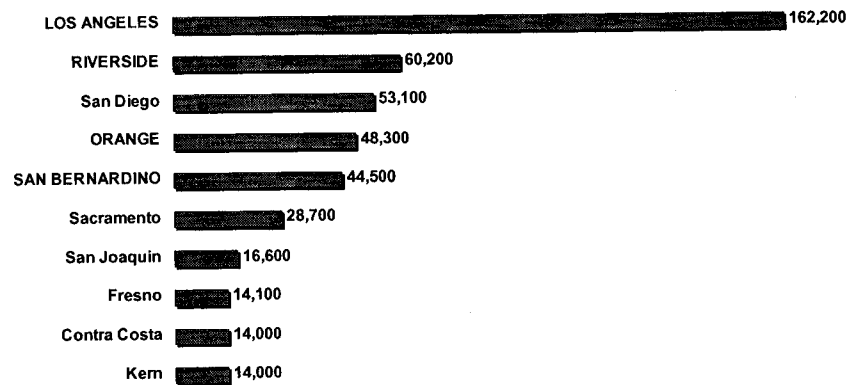
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Population Increase: 2001 and 2002

County	1/1/01	1/1/02	1/1/03	2001 Increase		2002 Increase	
				Number	Percent	Number	Percent
Imperial	147,362	150,200	150,900	2,838	1.9%	700	0.5%
Los Angeles	9,646,348	9,817,400	9,979,600	171,052	1.8%	162,200	1.7%
Orange	2,880,568	2,930,500	2,978,800	49,932	1.7%	48,300	1.6%
Riverside	1,584,297	1,645,300	1,705,500	61,003	3.9%	60,200	3.7%
San Bernardino	1,741,413	1,788,500	1,833,000	47,087	2.7%	44,500	2.5%
Ventura	763,907	778,400	791,300	14,493	1.9%	12,900	1.7%
REGION	16,763,895	17,110,300	17,439,100	346,405	2.1%	328,800	1.9%
Rest of California	17,603,380	17,889,700	18,151,900	286,320	1.6%	262,200	1.5%
California	34,367,275	35,000,000	35,591,000	632,725	1.8%	591,000	1.7%

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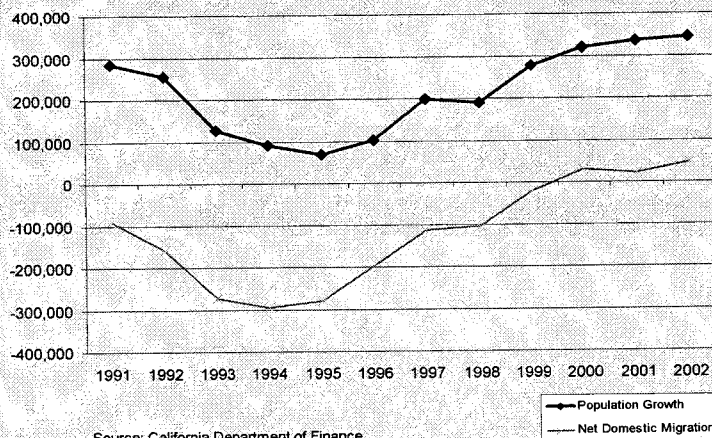
Top Ten California Counties in Population Increase in 2002



Source: California Department of Finance

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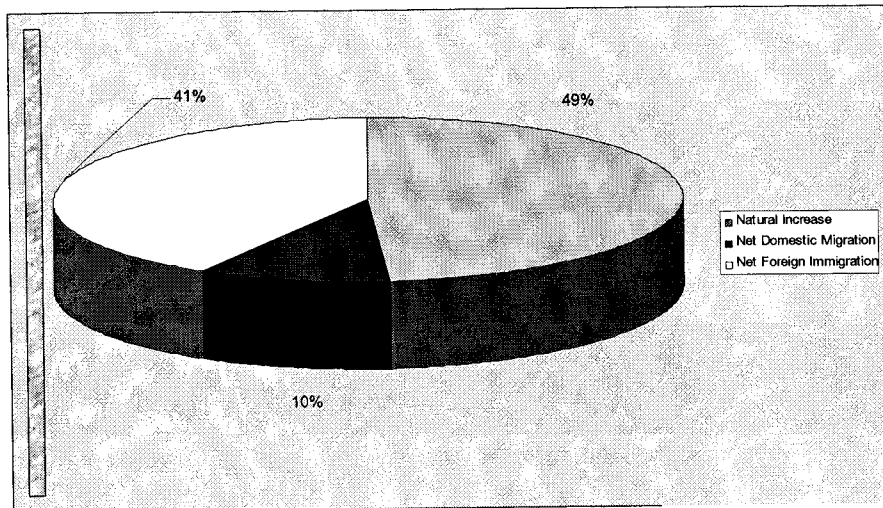
Population Growth vs. Net Domestic Migration



Source: California Department of Finance

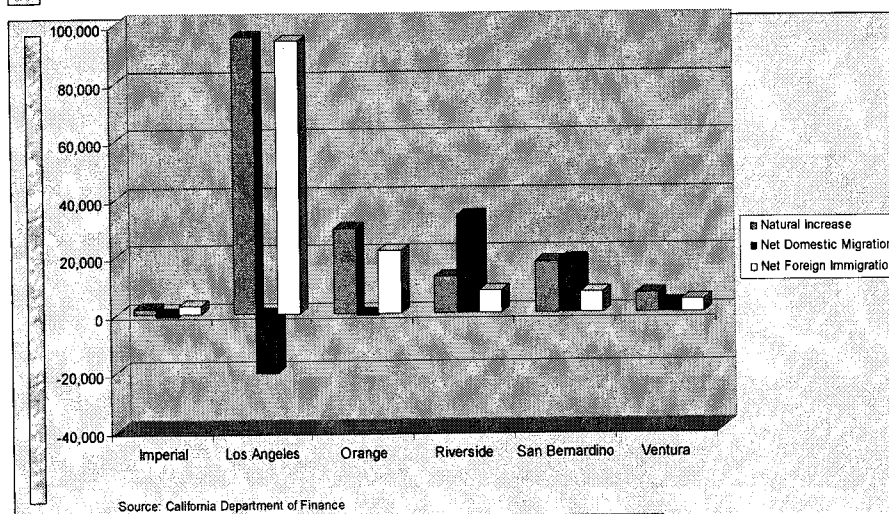
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Population Growth by Component, 2000-2002



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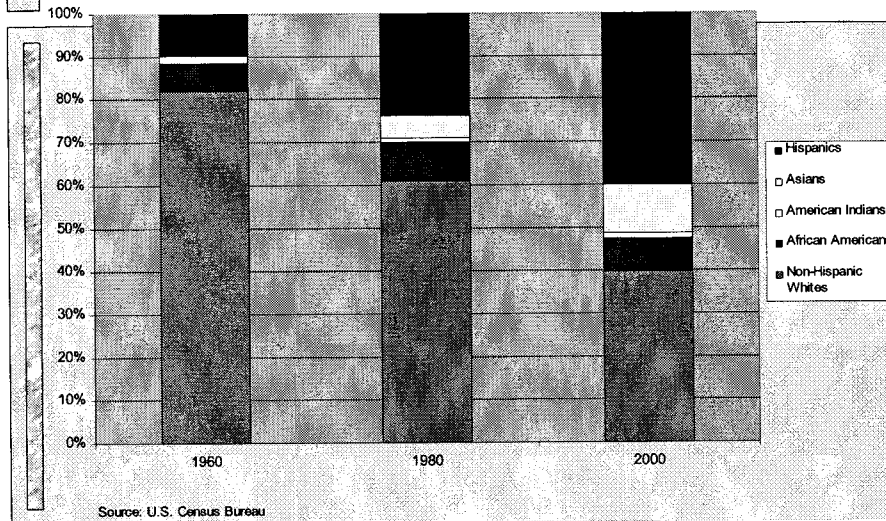
Population Growth - Components by County (2000-2002 Annual Average)



Source: California Department of Finance

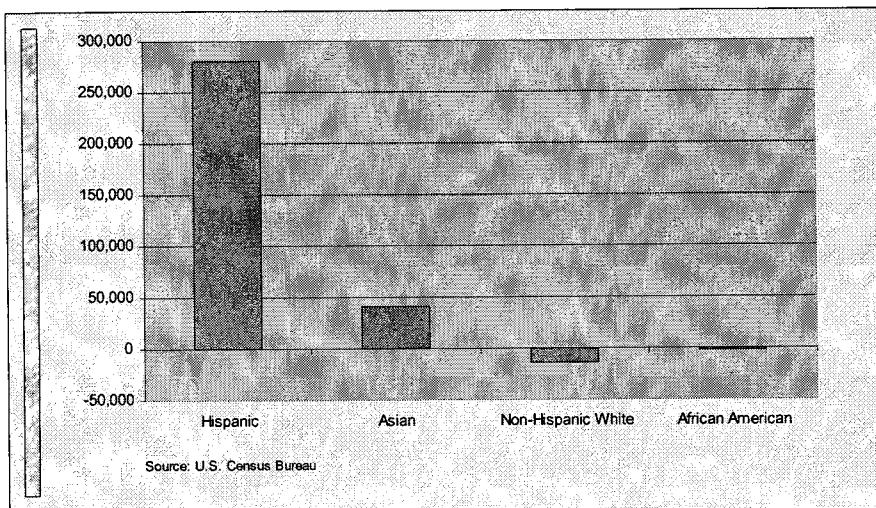
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Population by Race and Ethnicity



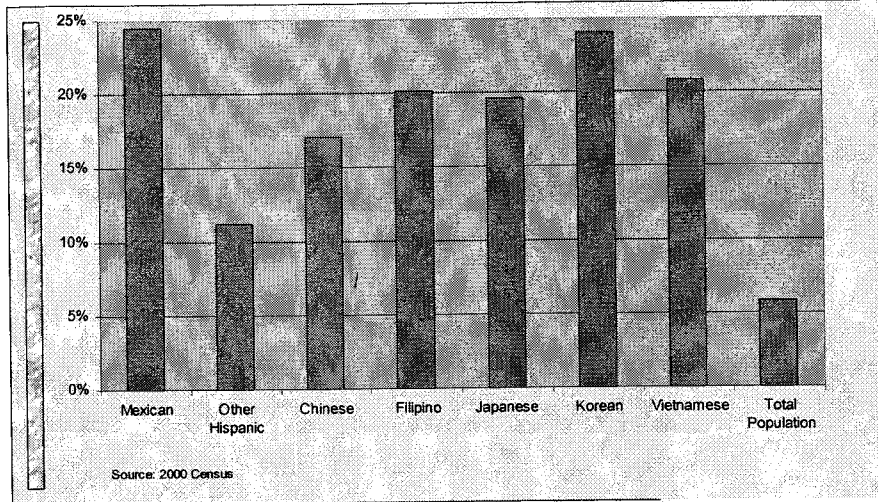
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Population Growth by Race and Ethnicity (2000-2002 Annual Average)



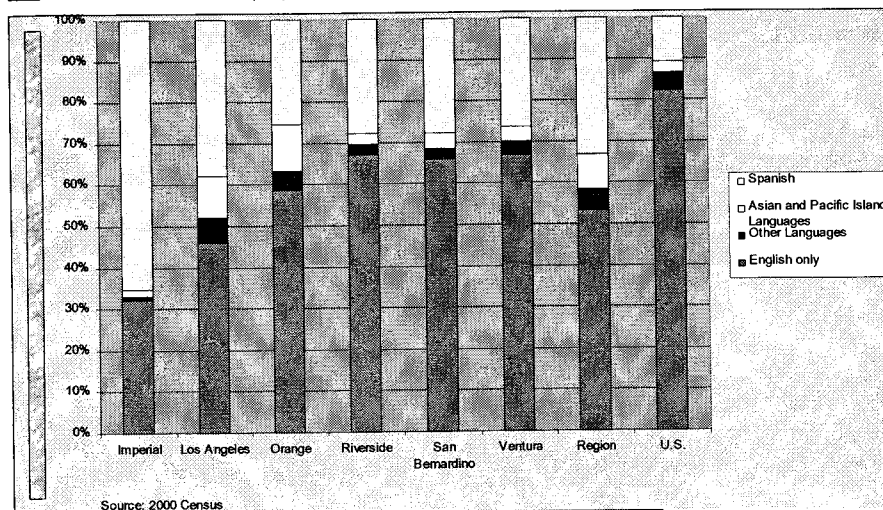
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Demographic Diversity (Region's Share of U.S. Total)



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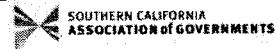
Language Spoken at Home (Population 5 Years and Over)



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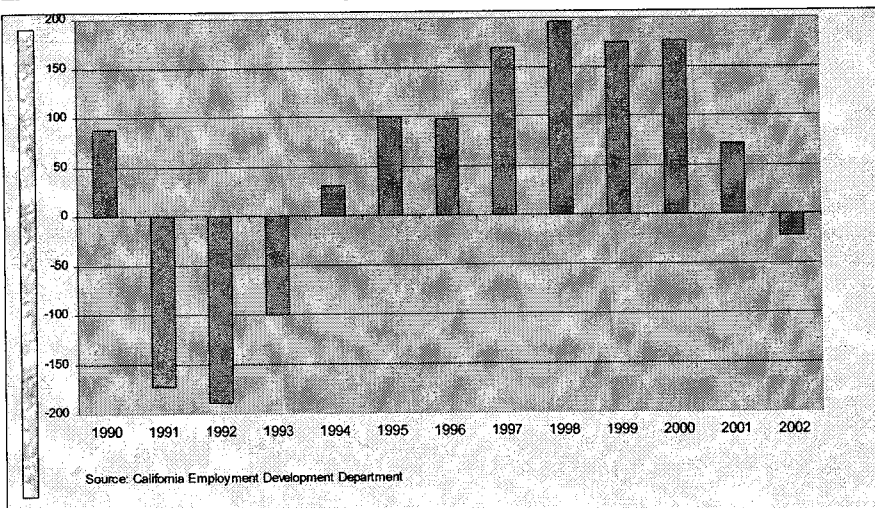
The Economy

- Lost jobs (- 22,000) in 2002, the first time since 1993. Nevertheless, still fared less badly than the rest of the state and the nation.
- Manufacturing and information sectors suffered the most losses while government (public education) and health care generated most new jobs.
- Unemployment rates increased throughout the region.
- Slight decline in average payroll per job and per capita income after adjusting for inflation.



Wage and Salary Employment

Change from Previous Year (000)



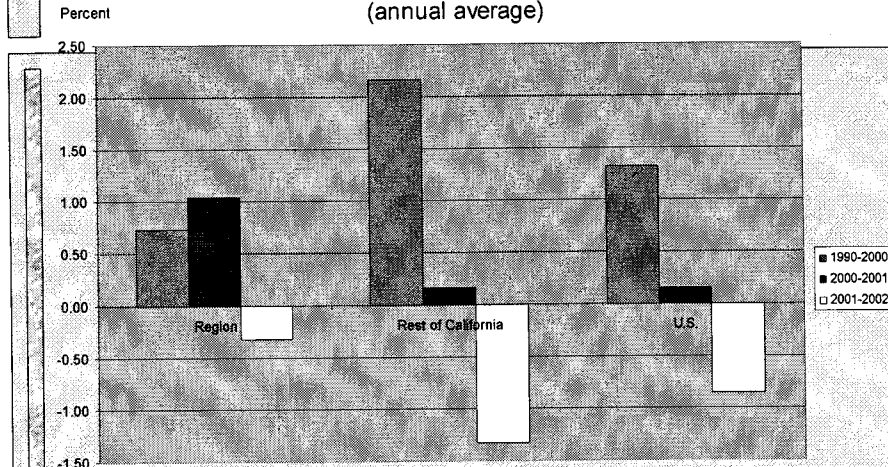
Wage and Salary Employment (000)

	1990	2000	2001	2002	2000-2001		2001-2002	
					Number	Percent	Number	Percent
Imperial	44.9	50.4	50.0	50.7	-0.4	-0.8	0.7	1.4
Los Angeles	4,142.2	4,079.8	4,082.0	4,041.5	2.2	0.1	-40.5	-1.0
Orange	1,179.0	1,396.5	1,420.8	1,410.7	24.3	1.7	-10.1	-0.7
Riverside/San Bernardino	735.2	1,010.1	1,050.7	1,078.7	40.6	4.0	28.0	2.7
Ventura	247.0	294.3	299.0	299.0	4.7	1.6	0.0	0.0
Region	6,348.3	6,831.1	6,902.5	6,880.6	71.4	1.0	-21.9	-0.3
Rest of California	6,515.1	8,065.6	8,079.0	7,972.0	13.4	0.2	-107.0	-1.3
California	12,863.4	14,896.7	14,981.5	14,852.6	84.8	0.6	-128.9	-0.9
U.S.	115,570.0	131,720.0	131,922.0	130,793.0	202.0	0.2	-1,129.0	-0.9

Source: California Employment Development Department

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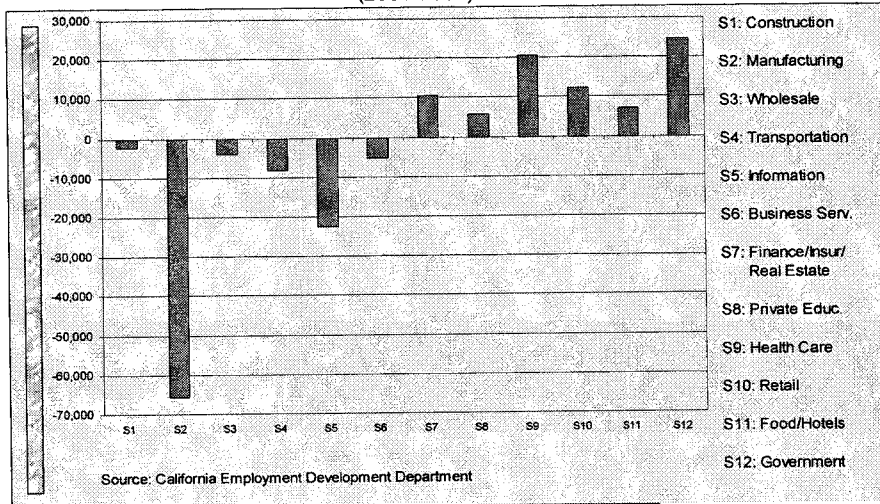
Employment Change (annual average)



Source: California Employment Development Department,
Council of Economic Advisors

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Employment Change by Selected Sectors (2001-2002)



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Manufacturing Job Losses in Key Subsectors, 2002

Computer/electronic product: -11,200

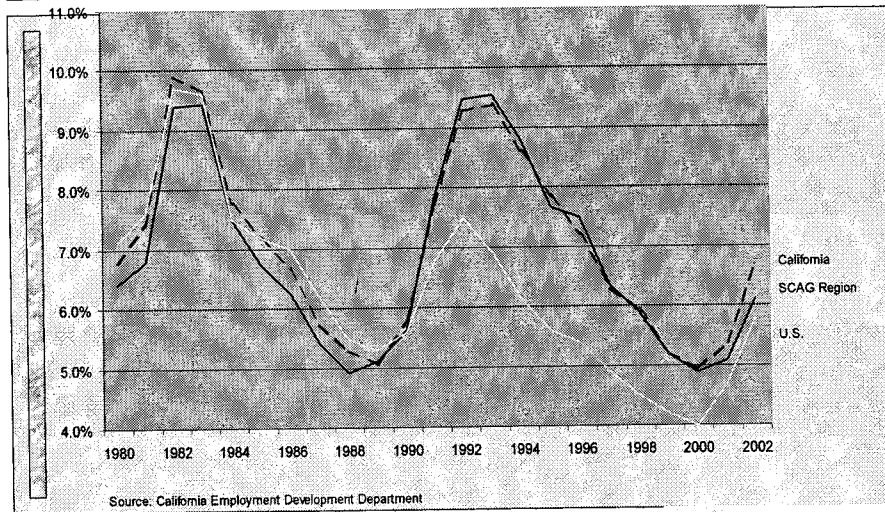
Apparel manufacturing: - 8,800

Fabricated metal: - 8,600

Transportation equipment: -7,400

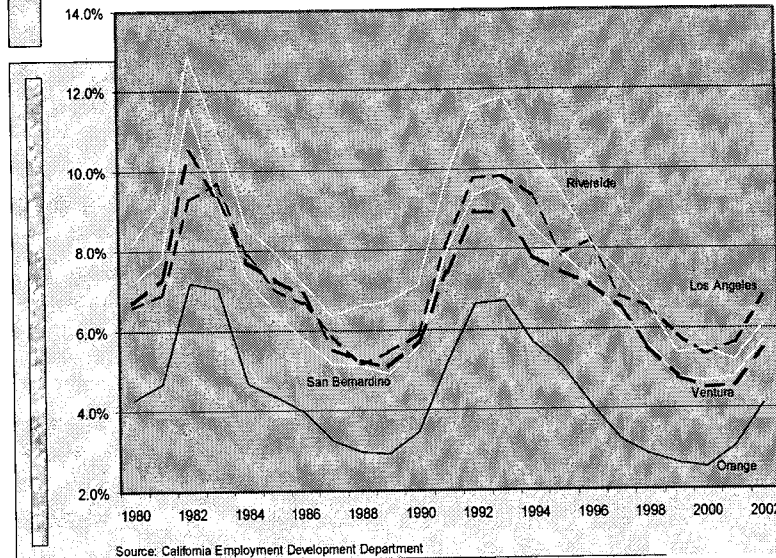
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Unemployment Rate



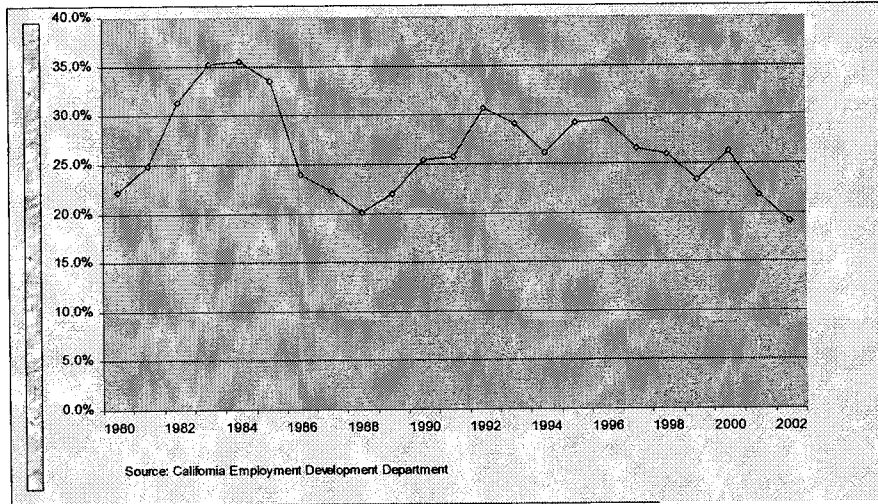
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Unemployment Rate by County



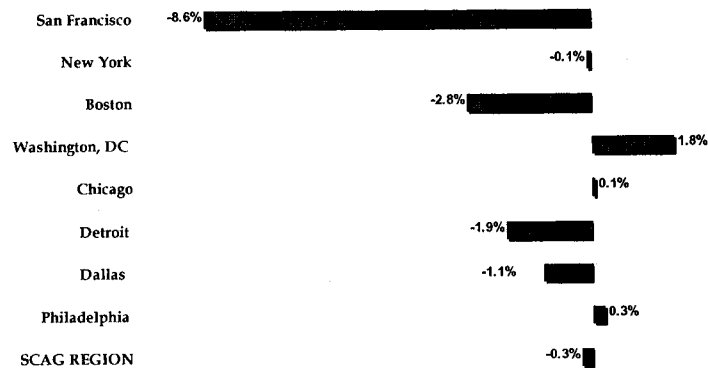
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Unemployment Rate - Imperial County



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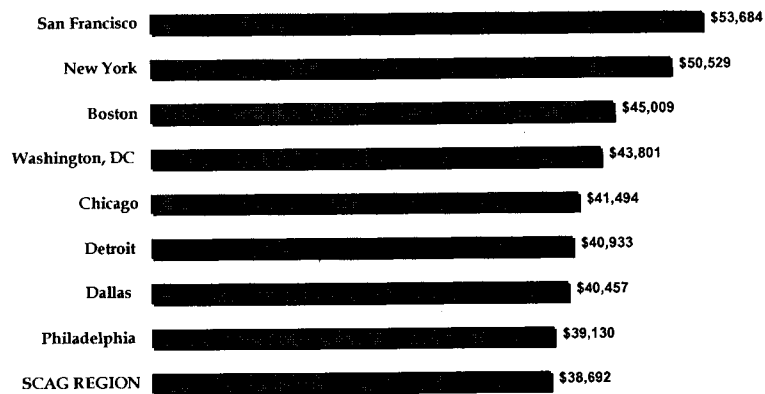
Average Payroll Per Job Change by Metropolitan Region, 2000-2001*



*With inflation adjustment based on the U.S. Bureau of Labor Statistics
Source: U.S. Bureau of Economic Analysis

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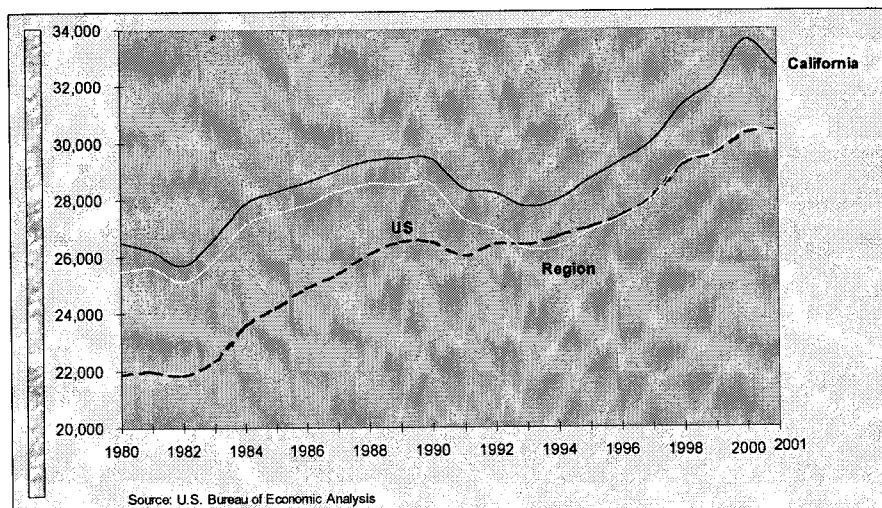
Average Payroll Per Job by Metropolitan Region, 2001




Source: U.S. Bureau of Economic Analysis

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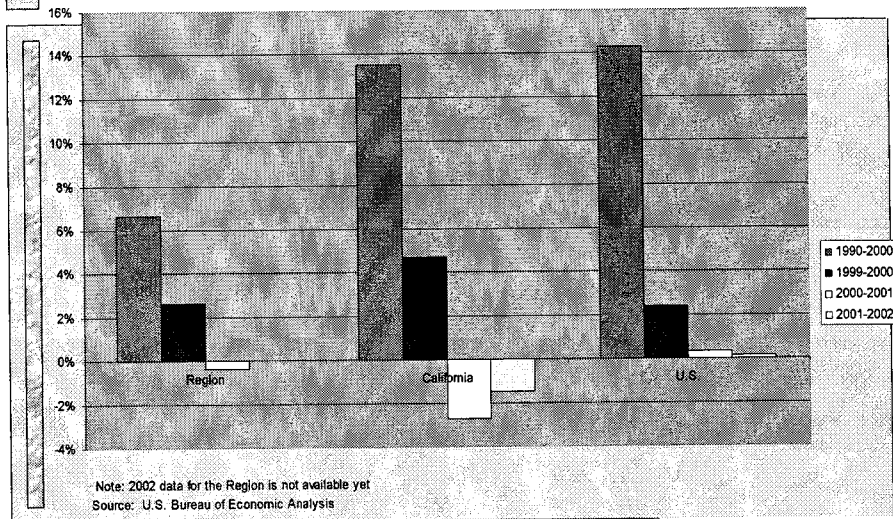
Real Personal Income Per Capita (2001 Dollars)



Source: U.S. Bureau of Economic Analysis

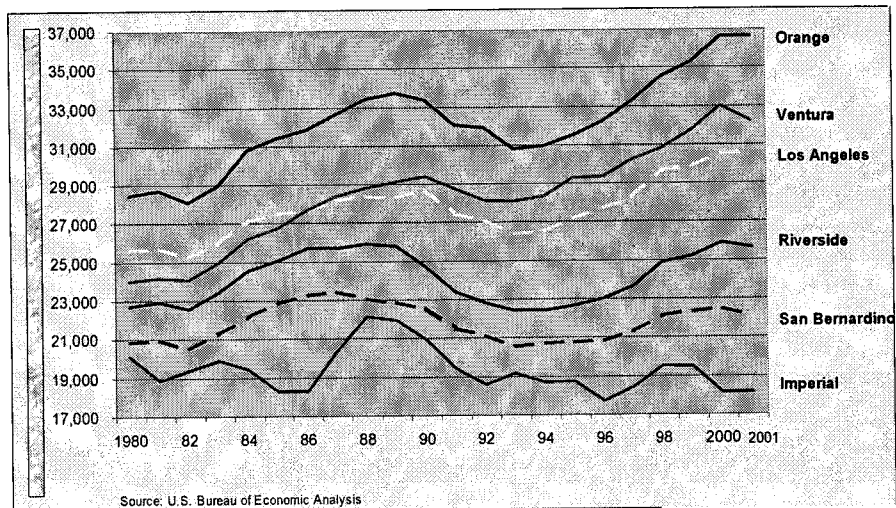
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Growth of Real Personal Income Per Capita



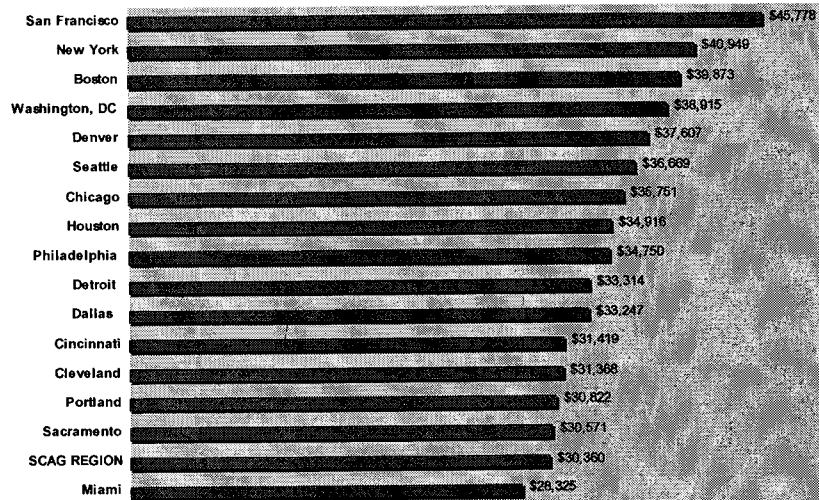
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Real Personal Income Per Capita by County (2001 Dollars)



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Per Capita Income by Metropolitan Region, 2001



Source: U.S. Bureau of Economic Analysis


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Per Capita Personal Income Ranking Among The 17 Largest Metropolitan Regions in US

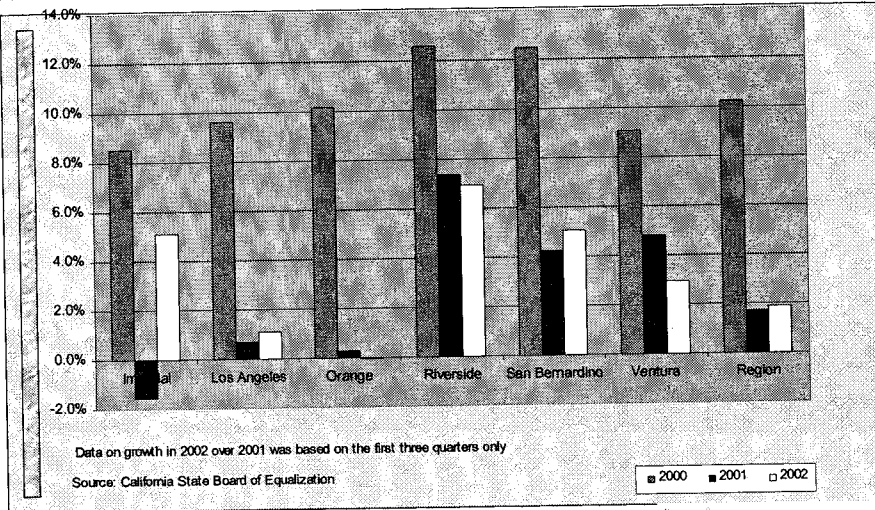
SCAG Region

1970	4th Place
1990	7th Place
1995	16th Place
2001	16th Place

Source: U.S. Bureau of Economic Analysis

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Taxable Sales (Changes from Previous Year)



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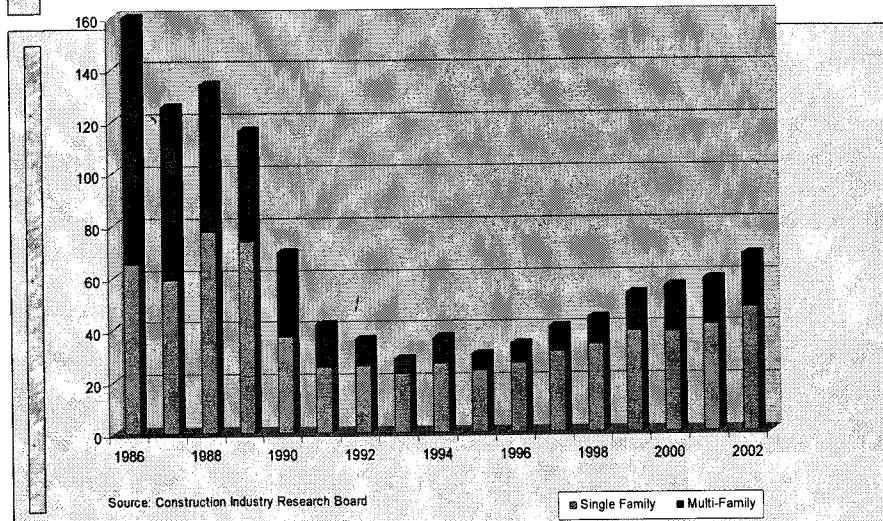
Housing

- Continued increase in building permits.
- Types of new housing units differed significantly among counties.
- Homeownership increased slightly in Los Angeles and Riverside/San Bernardino.
- Sharp increases in home prices made housing less affordable, and rental cost burden increased also.

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Residential Building Permit Activity

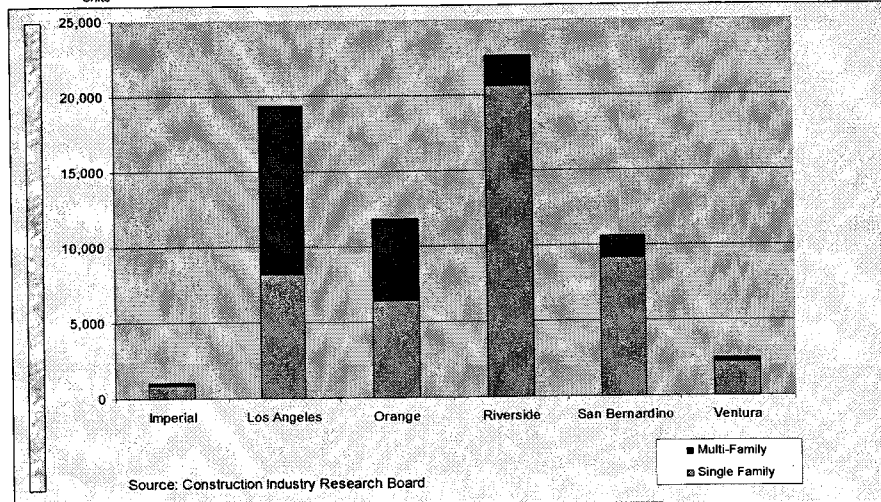
Units (000)



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Residential Building Permits by Housing Types, 2002

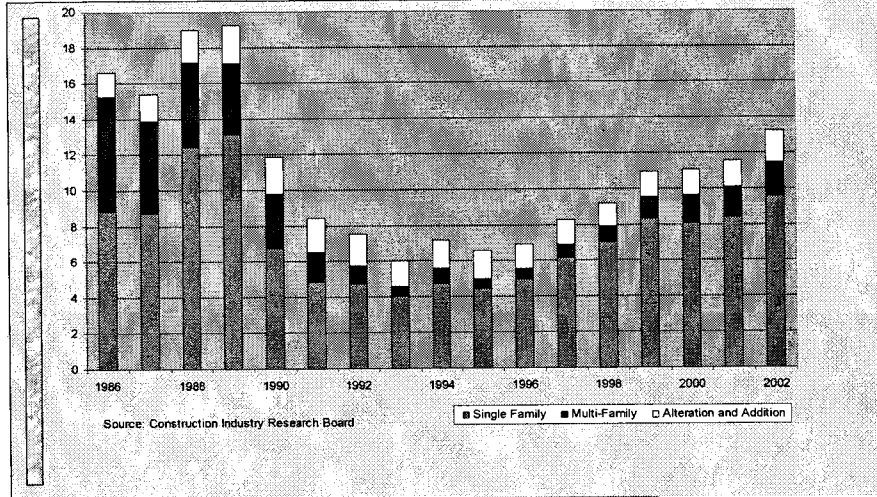
Units



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Residential Building Permit Activity

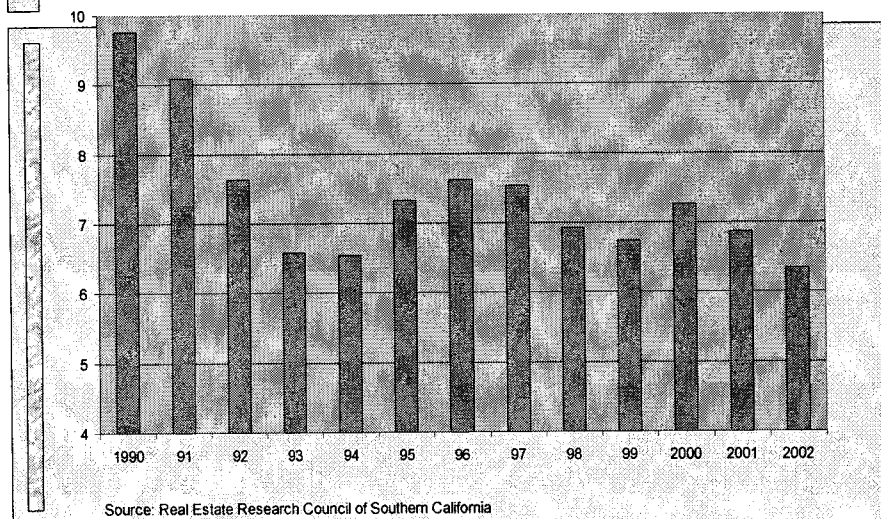
Valuations (Dollars in Billions)



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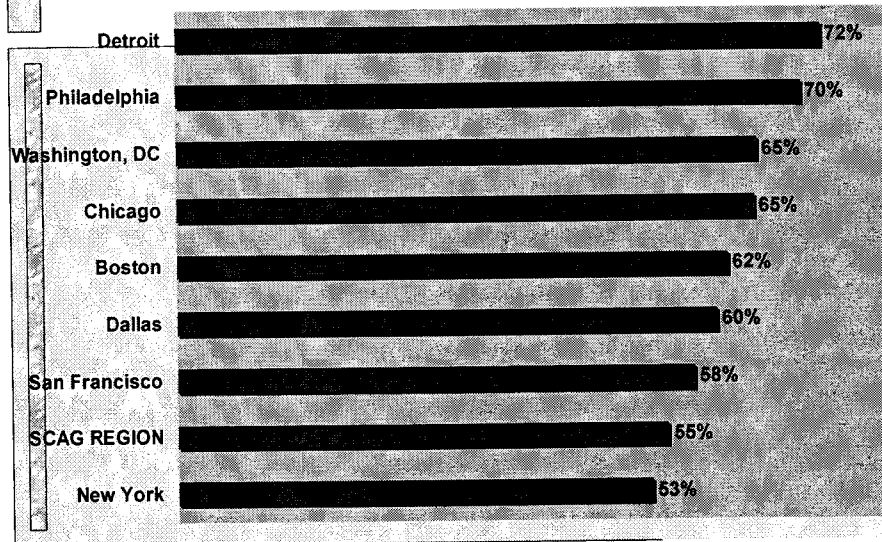
Average Mortgage Rate

Percent



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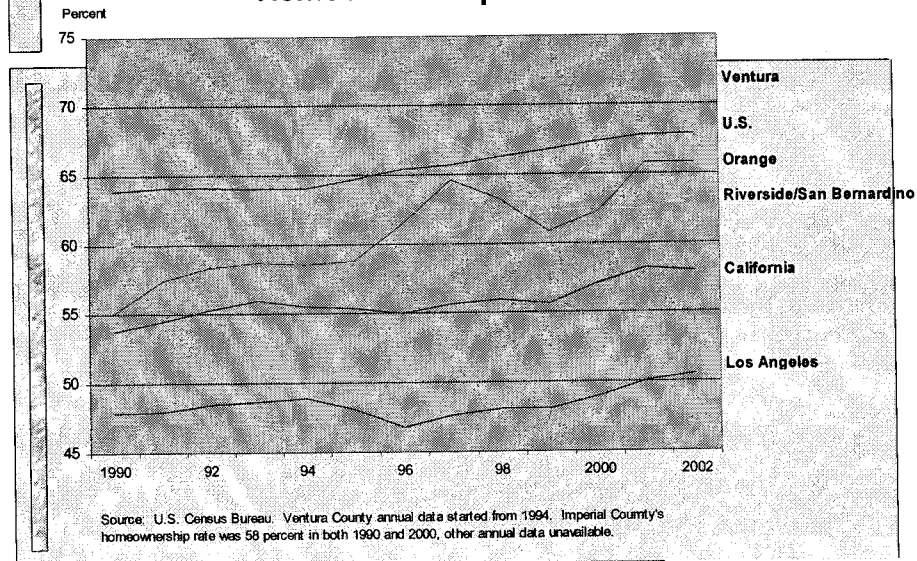
Homeownership by Metropolitan Region, 2000



Source: 2000 Census

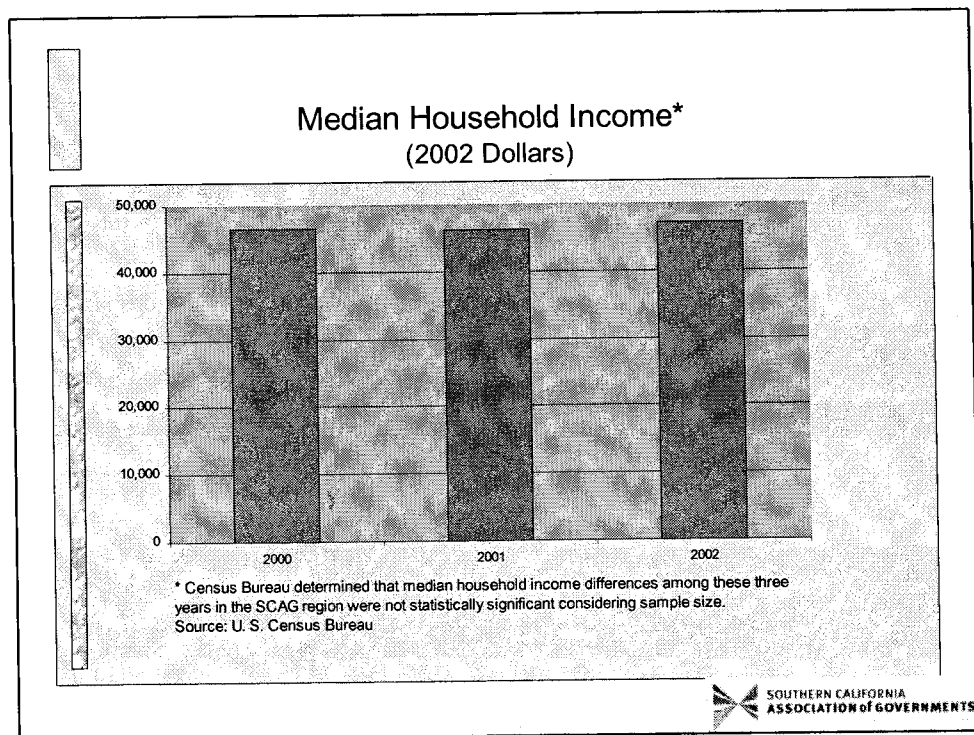
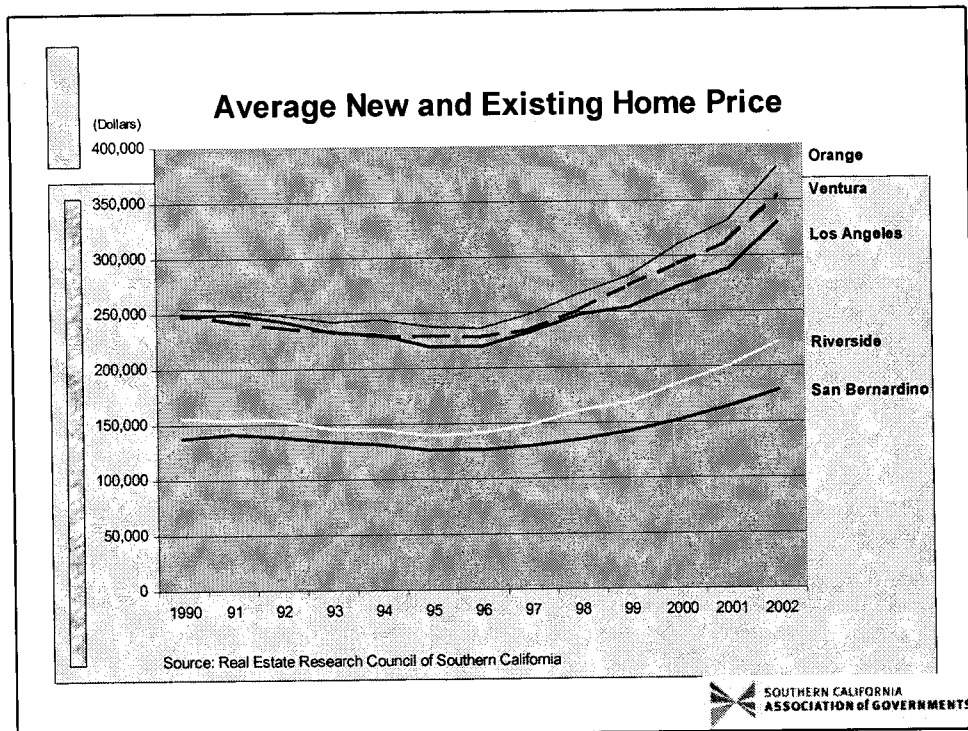
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Homeownership Rates



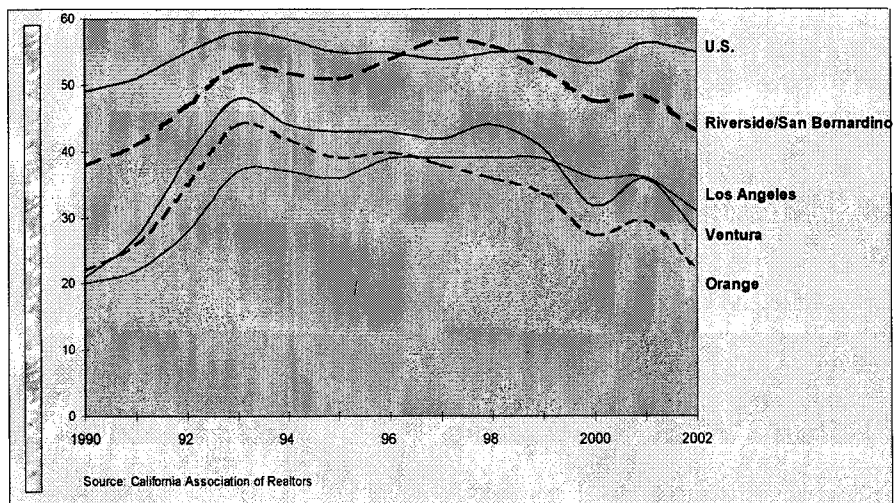
Source: U.S. Census Bureau. Ventura County annual data started from 1994. Imperial County's homeownership rate was 58 percent in both 1990 and 2000, other annual data unavailable.

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Housing Affordability

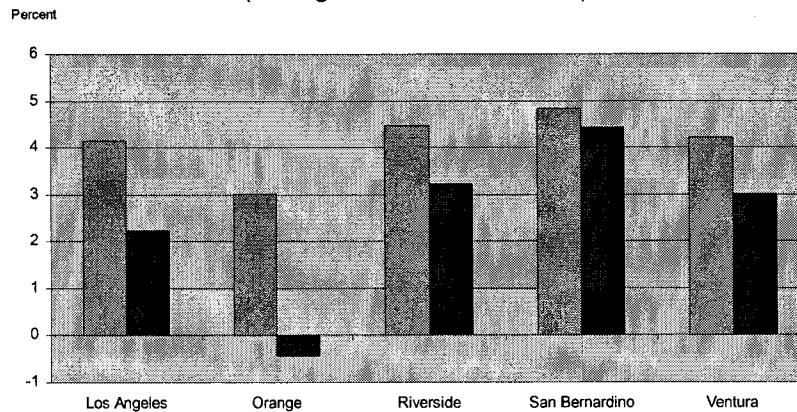
(Percent of Households Who Can Afford to Purchase a Median-Priced Home)



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Average Monthly Rent

(Change from Previous Year)

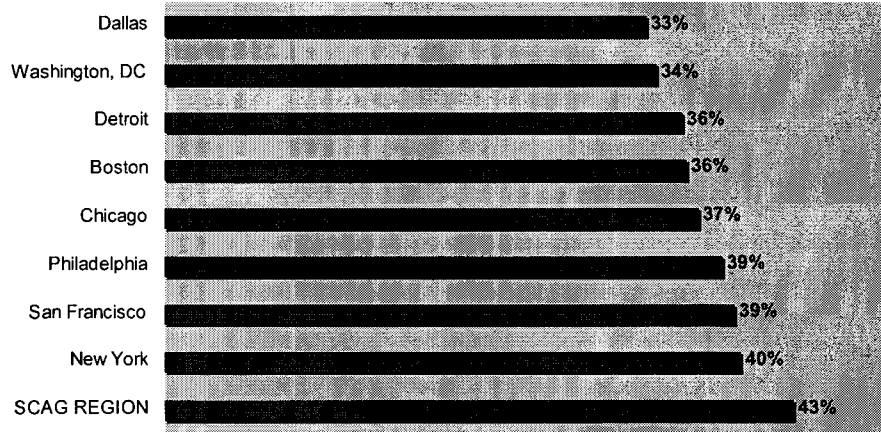


*Adjusted for inflation

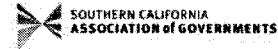
Source: Real Estate Research Council of Southern California

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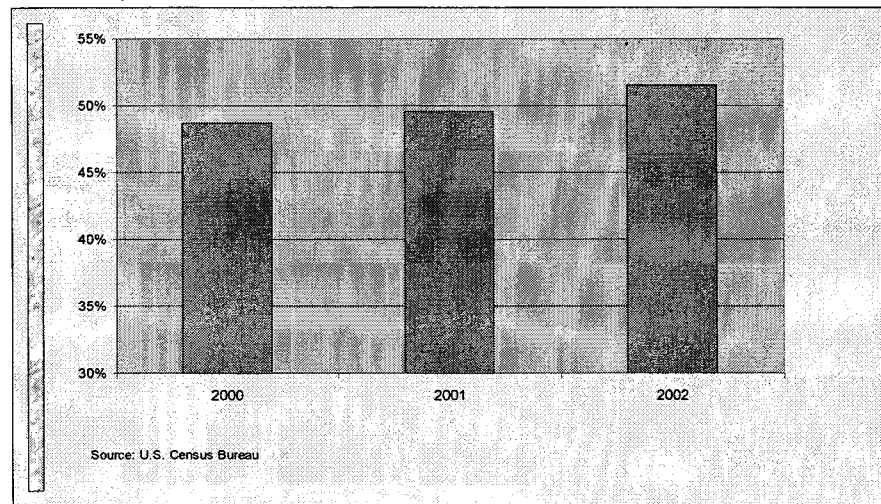
Rental Cost Burden by Metropolitan Region, 1999 (Renters with Rent above 30 Percent of Household Income)



Source: 2000 Census, SCAG 2002 State of the Region



Rental Cost Burden (Renters Paying 30 percent or more of Household Income)



Source: U.S. Census Bureau

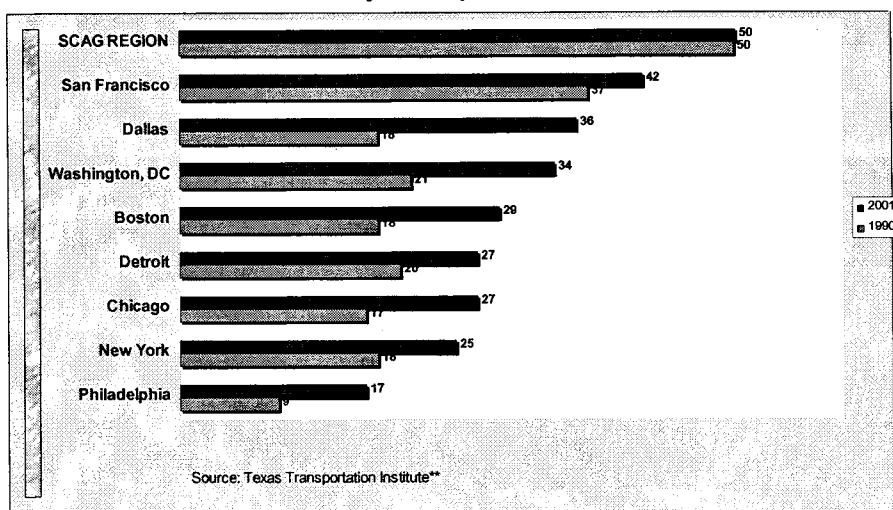


Transportation

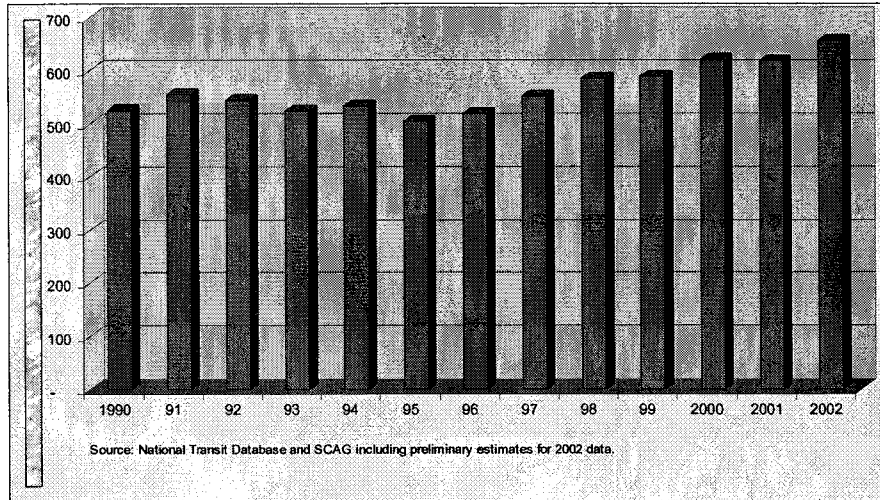
- Remained the most congested region in the nation in 2002.
- Average travel time to work remained unchanged from 2001 to 2002.
- Transit trips increased by 6% in 2002 after a slight decline (-0.4%) in 2001.
- Air passengers reduced by 11 million during the past two turbulent years.




Annual Hours of Delay per Person
by Metropolitan Area

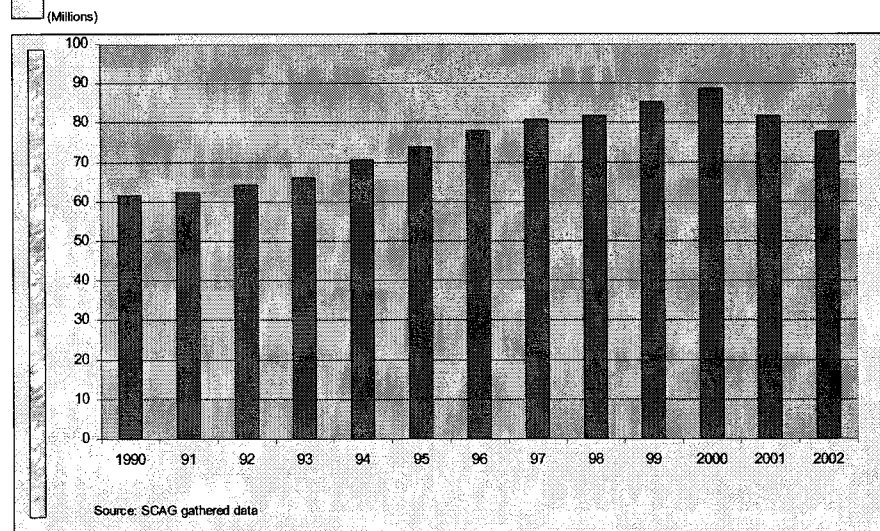



Transit Boardings - All Major Operators (Millions)



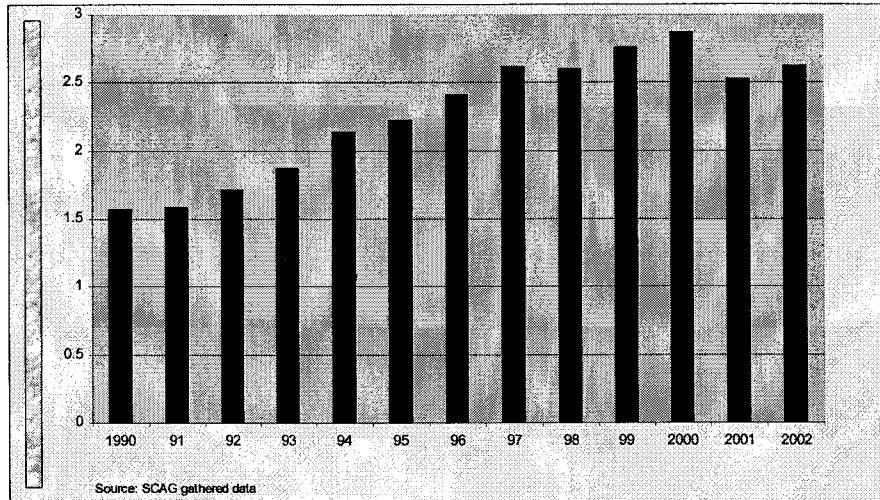
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Air Passenger Traffic in Major Airports (Millions)



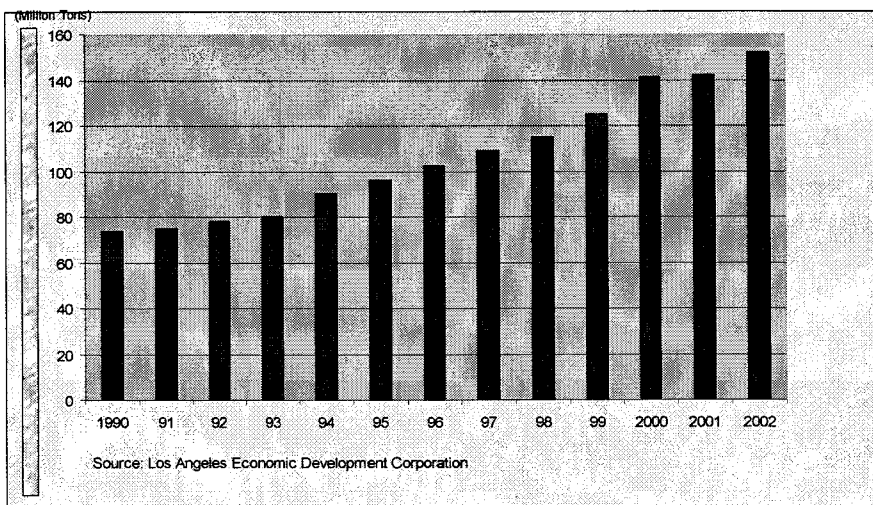
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Air Cargo in the Six Largest Airports (Million Tons)



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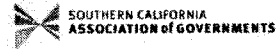
Port Cargo at Los Angeles and Long Beach (Million Tons)



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Development Patterns

- Riverside/San Bernardino had the most sprawling development pattern among the 83 metropolitan regions
- Sprawling pattern resulted more from weak centers and less from lower density



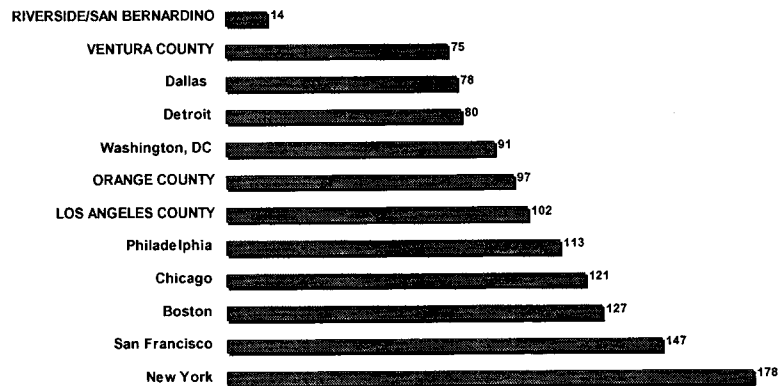
Sprawling Development Patterns

Factors for scoring:

- Residential density;
- Neighborhood mix of homes, jobs, and services;
- Strength of activity centers and downtowns; and
- Accessibility of the street network.



Sprawling Development Pattern Scores by Metropolitan Area, 2000



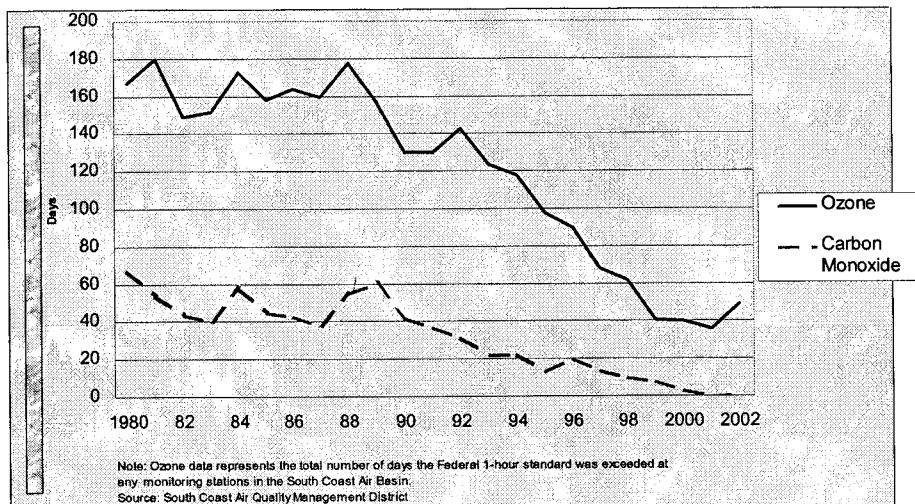
Note: Riverside/San Bernardino Counties had the lowest score indicating the most sprawling development pattern. By MSA except noted otherwise. Imperial County not part of the study.
Source: Smart Growth America

The Environment

- Ozone conditions worsened in 2002
- CO finally met federal attainment standards
- PM₁₀ exceedance continued
- PM_{2.5} improved
- Continuing improvements in reducing per capita waste disposal into landfills

Ozone and CO in South Coast Air Basin

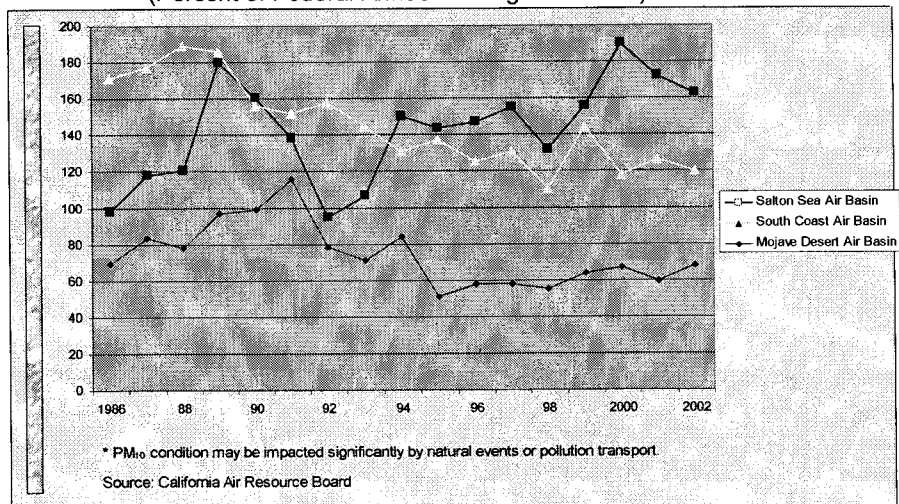
(Number of Days Exceeding Federal Standards)



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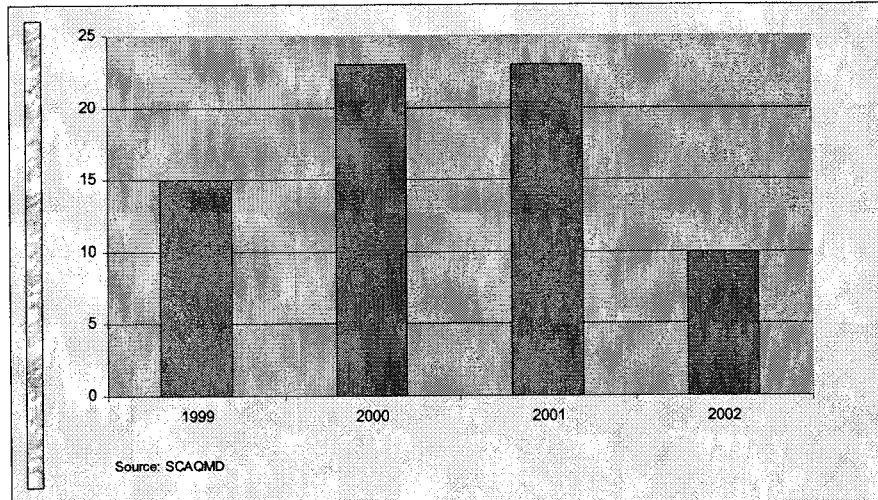
PM₁₀ in Non-Attainment Air Basins

(Percent of Federal Annual Average Standard)



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PM_{2.5} in South Coast Air Basin (Number of Days Exceeding Federal Standards)



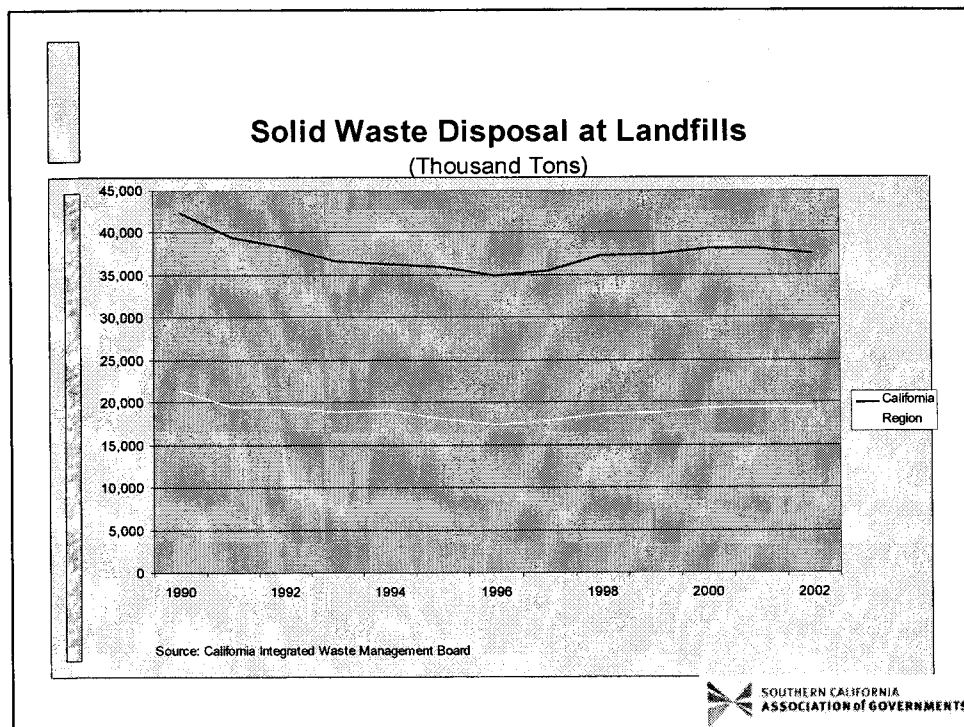
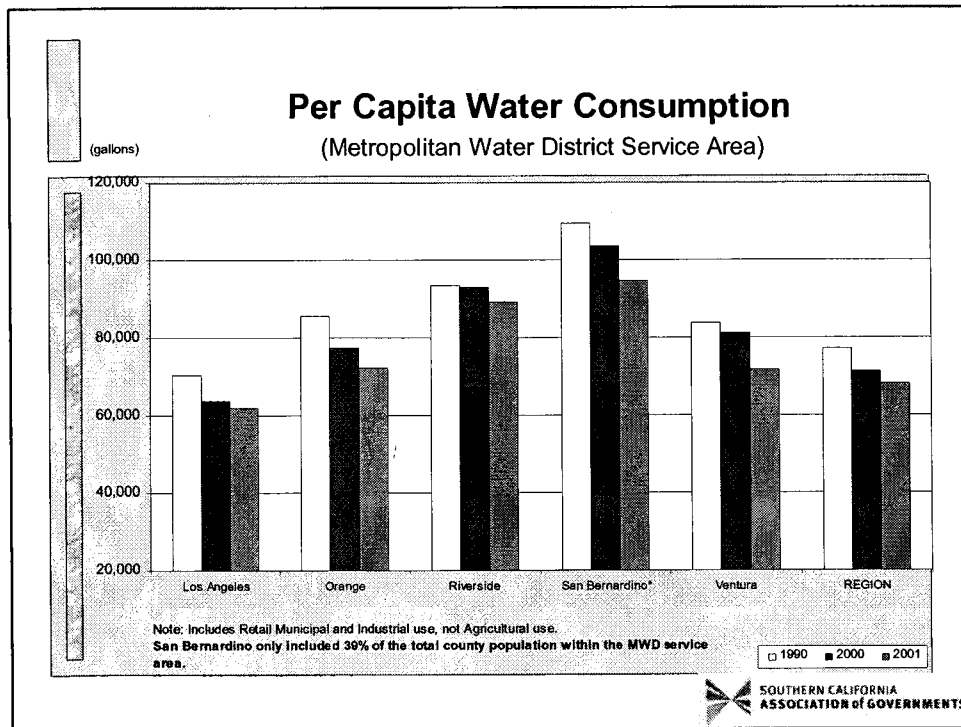
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Population within Water District Service Area

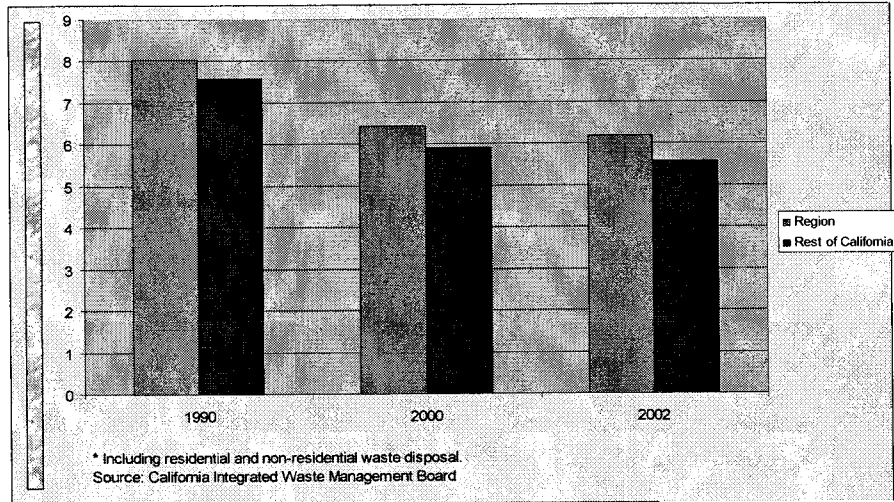
	MWD	Non-MWD
Imperial	0.0%	100.0%
Los Angeles	92.0%	8.0%
Orange	99.9%	0.1%
Riverside	71.0%	29.0%
San Bernardino	39.0%	61.0%
Ventura	67.0%	33.0%
REGION	85.0%	15.0%


MWD: Metropolitan Water District

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Solid Waste Disposal at Landfills (Pounds/Person/Day)



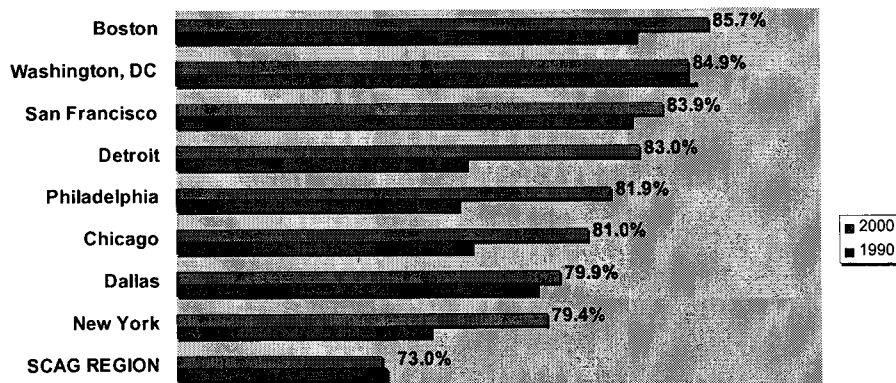
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Education

- Little improvements in
 - 8th grader test scores
 - high school dropout rates
 - high school graduates meeting entrance requirements of UC/CSU
- Persistent racial/ethnic disparity

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Educational Attainment by Metropolitan Region (High School Diploma or Higher*)



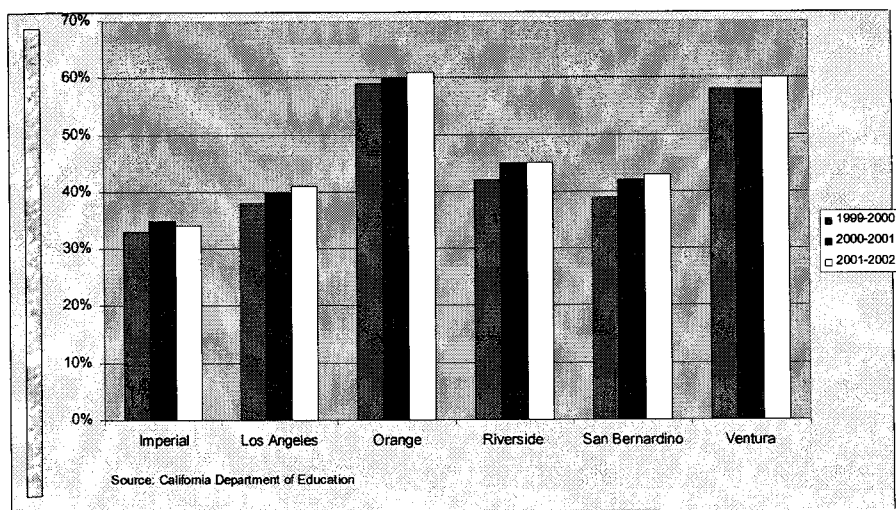
* Percent of persons 25 years and over

Source: U.S. Census Bureau

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Stanford 9 Math Test for 8th Graders

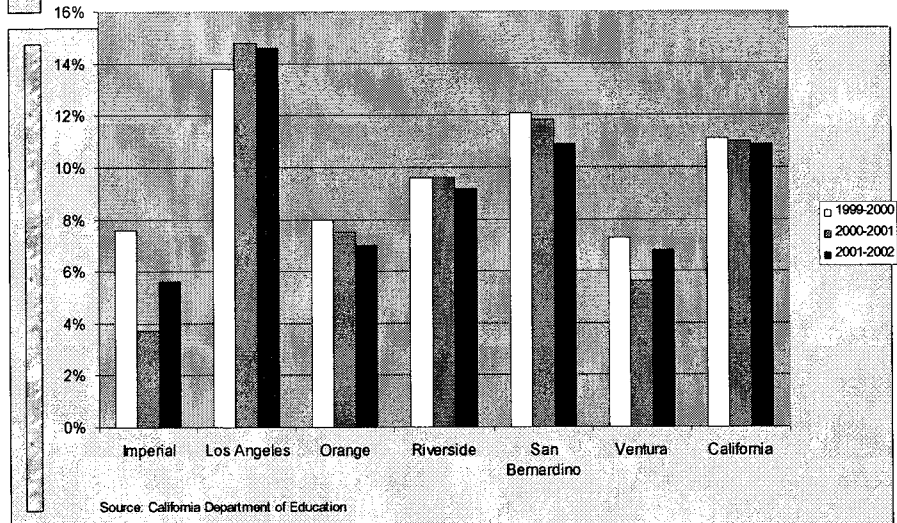
(Percent at or above national median)



Source: California Department of Education

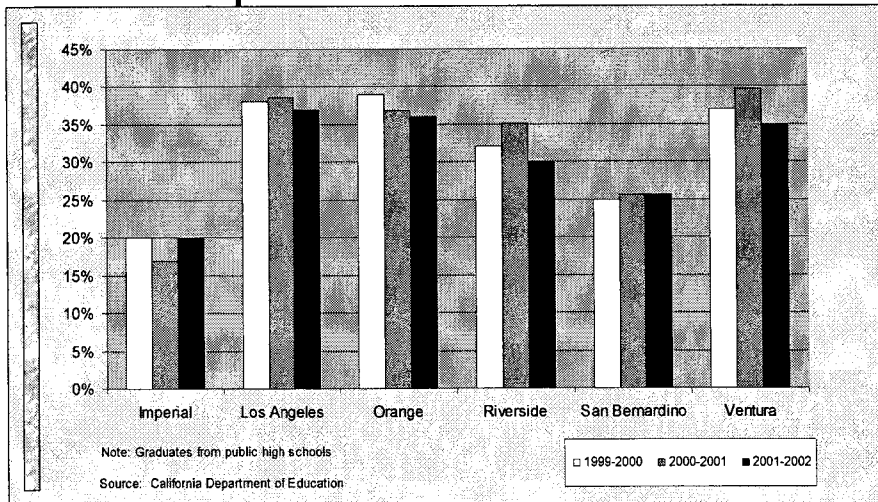
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Dropout Rates in Public High Schools



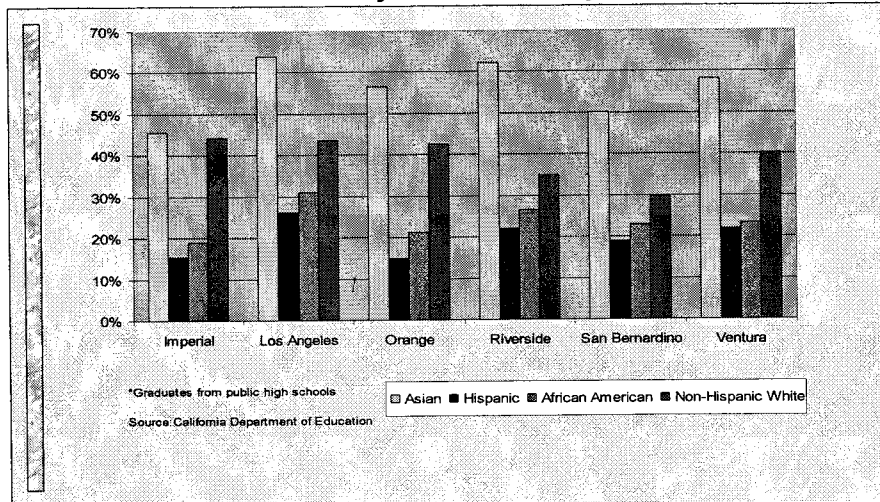
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Graduates Completing Courses Required for UC or CSU Entrance



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Graduates Completing Courses Required for UC or CSU Entrance by Race/Ethnicity, 2001-2002



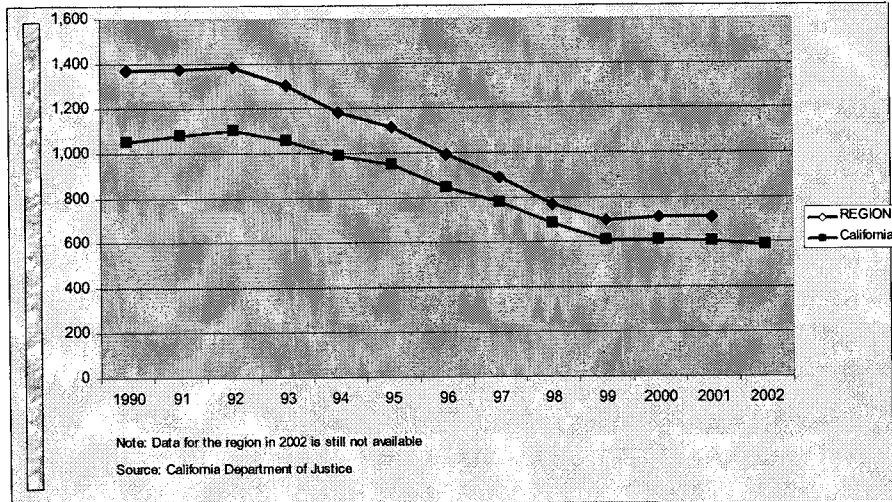
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Safety

- Violent crime rates stayed almost the same
- Juvenile felony arrest rates reduced slightly
- Hate crime activities reduced

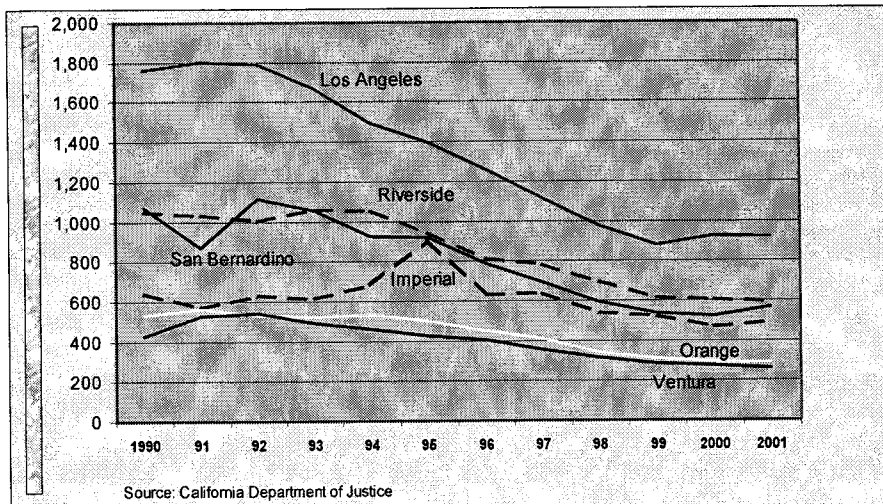
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Violent Crime Rates (per 100,000 Population)



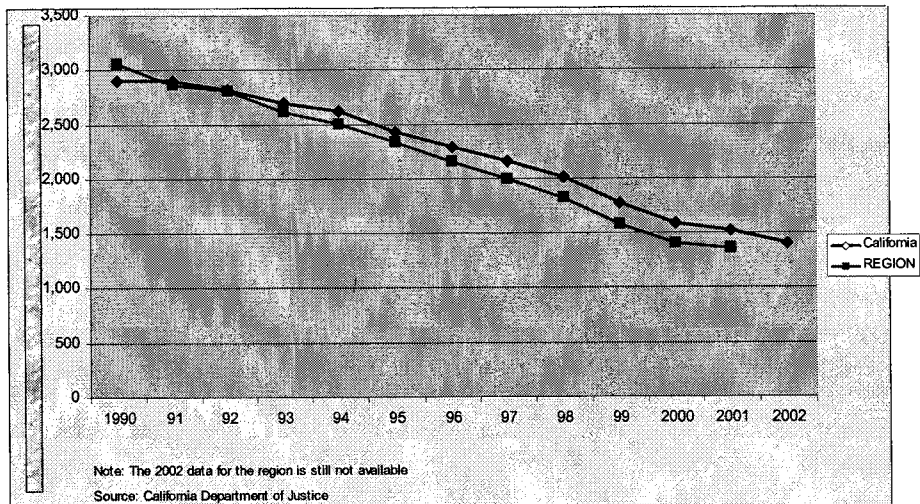
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Violent Crime Rates per 100,000 Population



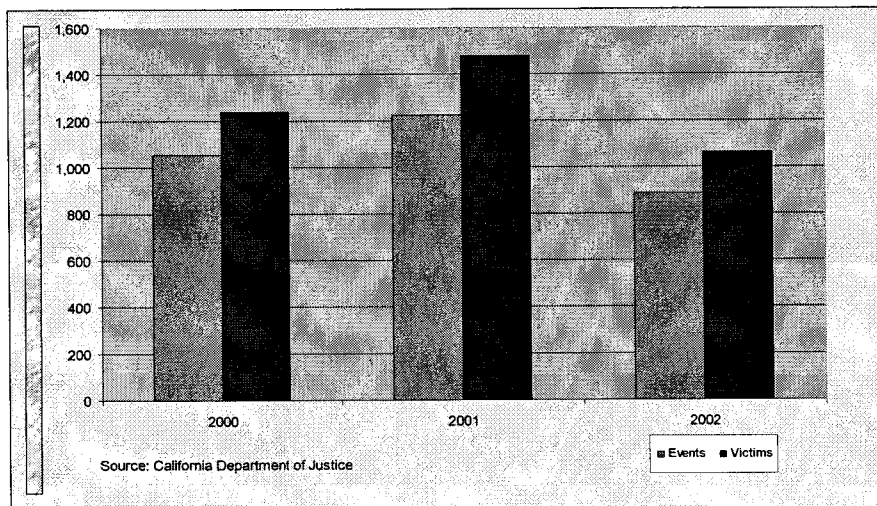
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Juvenile Felony Arrests (per 100,000 Population Aged 10-17)



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Hate Crime Activities



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Thank You!

Questions?

Comment?

